



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 22, 2007

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 8613

Jim C. Butt
Butt Mining Company
HC 63 Box 120
Monticello, Utah 84535

Subject: Requirement to Post Reclamation Surety, Butt Mining Company,
Sage Mine, S0370058, San Juan County, Utah

Dear Operator:

You have been previously notified of the requirement to post a reclamation surety for the above referenced mine site (letters dated June 8, September 8, and November 20, 2006). Our records indicate that you have not completed this requirement, which was due by December 8, 2006.

As a result you are considered to be out of compliance with the Utah Mined Land Reclamation Act and you are subject to enforcement action. In order to curtail this action you must provide the Division with one of the following within the next 30 days.

1. Evidence that you have a reclamation surety adequate to assure reclamation of the site in accordance with Utah Administrative Code R647-3-111. (If you have not done so already, you will need to contact the Division to determine the amount required.)
2. Notification that you have completely reclaimed the site and are ready to have the site closed.
3. Justification for why a reclamation surety is not required for this site.

Failure to complete this requirement will result in a Cessation Order being issued in accordance with Utah Administrative Code R647-6-102. A civil penalty will be assessed which could be as high as \$750 per day of non-compliance. We hope to avoid this situation. Please contact us and work with us as soon as possible to change this situation.

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Jim C. Butt
S0370058
February 22, 2007

If you have any questions, please call me at (801) 538-5325.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock". The signature is written in dark ink and is positioned above the printed name and title.

Daron R. Haddock
Permit Supervisor

DRH/pb
P:\GROUPS\MINERALS\WP\M037-SanJuan\S0370058-Sage\final\30daywarning.doc

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

JIM C BUTT
BUTT MINING CO
HC 63 BOX 120
MONTICELLO UT 84535

PB 2/22/07 50370058

2. Article Number

(Transfer from service label)

7004 2510 0004 1824 8613

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-154

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x

Jim C Butt

sdsn

☐ Agent

☐ Addressee

B. Received by (Printed Name)

JIM C BUTT

C. Date of Delivery

3-2-07

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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02 MAR 2007 PM 1 L

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KIDNEY

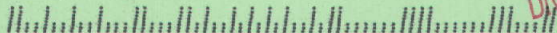
- Sender: Please print your name, address, and ZIP+4 in this box •

PENNY BERRY
STATE OF UTAH
DIVISION OF OIL GAS & MINING
PO BOX 145801
SALT LAKE CITY UT 84114-5801

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MAR 07 2007

DIV. OF OIL, GAS & MININ



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BUTT MINING CO
HC 63 BOX 120
MONTICELLO UT 84535

30 Day Warning
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7004 2510 0752 4002 7004 2510 0752 4002